



## Illinois Department of Revenue

# E-Connection

A publication from the Electronic Commerce Division

Fall 2009

### A Note to Tax Professionals and Software Developers

As the 2009 filing season comes to a close and preparations are well underway for the 2010 processing season, I would like to take a moment to thank everyone that participated in our electronic filing program. This year IDOR set another record by receiving over 3.4 million, or 58 percent of the individual income tax returns through one of our electronic filing channels. This level of success would not be possible without your participation and our continued partnership of



working together. We have worked very hard over the last twelve months to continue to expand and enable more taxpayers to participate in our electronic filing programs for 2010. I think you all will be pleased with the changes we have made.

If you have any questions or suggestions regarding

our electronic commerce programs at IDOR, please do not hesitate to contact me directly. I wish you all the best in 2010.

Sincerely,  
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### Meet the Team

Chances are if you have called into the Electronic Commerce Division or attended an outreach event you have had contact with our team. Our staff welcomes your feedback and is here to assist you with any electronic filing questions or issues you may have. Below is a list of our team members.

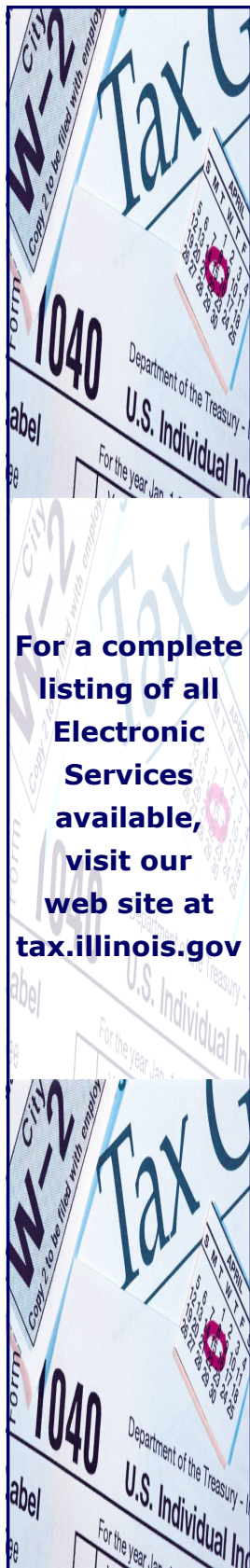
**Kevin Richards**—Manager, Electronic Commerce.

**Nancy Schoen**  
**Debbie Bartholomew**  
**Donald Gibbs**  
**Adrianne Erley**  
**Brad Miller**  
**Jon Champion**

Special recognition goes to **Dianne Kane**, who has been with the Electronic Commerce Division for many years. She will be retiring by the end of the year and her expertise and knowledge will be missed.

Thank you, Dianne for your years of service and dedication!

We look forward to hearing from you or seeing you at an outreach event this fall! And as always, you may call us at 866.440.8680 or email us at [rev.econnection@illinois.gov](mailto:rev.econnection@illinois.gov) with all your electronic filing questions.



**For a complete listing of all Electronic Services available, visit our web site at [tax.illinois.gov](http://tax.illinois.gov)**

## WebFile and WebPay

Now available through e-Services for Businesses at [tax.illinois.gov](http://tax.illinois.gov) is the new WebFile & Pay for Withholding Income Tax. The filing and payment option allows taxpayers to file their IL-941, Illinois Quarterly Withholding Income Tax Return, or IL-941-A, Illinois Yearly Withholding Income Tax Return, and make a payment for any balance due. Illinois Withholding

Installment Payments (IL-501) can also be made.

WebPay for Businesses is also now available. Business taxpayers can make a variety of payments electronically, including Business Income Tax estimated payments, extension payments, and return payments, Sales Tax return payments and accelerated payments, and Withholding Income Tax

IL-501 payments. You may choose to schedule payments in advance.

All you need is your FEIN for withholding or business payments and Illinois Account ID for sales tax payments and business banking information. The banking information can be saved for future use using a self-selected password.

## Illinois' New Electronic W-2 Program

Illinois is launching a new electronic W-2 and W-2C Transmittal Program in 2010. The program requires all payroll companies and all employers with 250 or more employees to electronically transmit their employees' Forms W-2 and W-2C using the Social Security Administration's

EFW2 and EFW2C format. Employers with fewer than 250 employees may also voluntarily participate in the program. This program will begin in 2010 for 2009 Forms W-2 and W-2C. Registration is easy; simply visit our web site and complete the W-2 Transmitter Registration Application to receive your

login and test and production passwords. Complete information about the program, including W-2 Filing Specifications and the Online W-2 Transmitter Registration application, can be found on our web site at [tax.illinois.gov/ElectronicServices/ElectronicW2.htm](http://tax.illinois.gov/ElectronicServices/ElectronicW2.htm).

## Fall Fed/State e-Filing Seminars

Plan on attending the **free** 2009 Illinois Fed/State e-File Seminars and come learn about the latest in electronic filing information. Representatives from IDOR, the Internal Revenue Service SB/SE Stakeholder Liaison Office, Illinois Department of Employment Security, and the Independent Accountants Association of Illinois will be on hand to provide

information about the latest tax law and e-Filing program updates, current information on electronic payment options, and more. Attendees who qualify will receive up to four (4) hours CPE credit for attending the event. For more information or to register, please email us at [rev.econnection@illinois.gov](mailto:rev.econnection@illinois.gov) and provide your name, EFIN, selected date,

address, phone number, and email address. Classes are held from 9:00 a.m.—1:00 p.m.

Monday, November 2

Edwardsville, IL

Monday, November 16

Springfield, IL

Thursday, December 17

Chicago, IL

Thursday, January 7

Chicago, IL

## IL-1120 Modernized Electronic Filing

A new electronic filing program for the IL-1120, Corporation Income and Replacement Tax Return, is about to launch! Illinois will be joining the IRS modernized e-File for the IL-1120 return in 2010 for 2009 returns. This

program will allow all IRS qualified corporate modernized e-Filers to submit their IL-1120 electronically with the federal form. The Illinois return and payments may also be submitted separately from the federal return.

For more information, including filing specifications, please visit the following web sites:  
**IRS:** [www.irs.gov/efile](http://www.irs.gov/efile)  
**IDOR:** [tax.illinois.gov/TaxProfessionals](http://tax.illinois.gov/TaxProfessionals) and look for Modernized eFile.

## ST-1-X WebFile

The Illinois Department of Revenue is in the process of developing a WebFile program that will let taxpayers file their amended sales and use tax returns (ST-1-X/ST-2-X) through the department's

web site at [tax.illinois.gov](http://tax.illinois.gov). The program will use the same combination of the Illinois Account ID and PIN or the owner's/officer's Social Security number for the signature that the ST-1 WebFile program currently

uses. There will be no charge to use the ST-1-X WebFile program. The department is working to have this program in production by spring 2010.

## Online Account Management

Illinois is developing a new Online Account Management program that will allow business taxpayers and their designated representatives the ability to perform many account management functions without having to contact

IDOR for assistance. The target completion date is the 4th quarter 2010, and it will be implemented in two phases. Phase one will allow taxpayers to set up multi-tiered access to their accounts and provide the ability to view returns,

payments, and registration records. Phase two will include maintenance functions such as changing registration information, adding sites, and filing returns. Look for more information coming soon!

## IL-1040 Modernized e-File

The IRS spent over 3 years on the design and development of a new e-File system which is often referred to as Modernized e-File (MeF). MeF is a web-based system that allows electronic filing of several different returns through the Internet. MeF uses the widely accepted XML format. MeF provides the

benefits of more explicit error conditions with new error codes that pinpoint error location; faster, near real-time acknowledgements; and integrated payment options where a return can be e-Filed and a balance due can be paid with electronic funds withdrawal at the same time. IL-1040 Electronic Filing in

the MeF format will be implemented after April 15, 2010. We will be supporting our "legacy" FED/State and Direct Electronic Filing programs plus MeF for 3 years. Our plan is to phase out our FED/State and Direct Electronic Filing programs by the end of 2012.



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### Dates To Remember

#### December 1, 2009

IL-1040 Test Transmissions Accepted

#### January 15, 2010

IL-1040 Production Transmissions Accepted

#### April 16, 2010

IL-1040 Modernized e-File Transmissions Begin

#### October 15, 2010

Last Date to Transmit IL-1040 Returns



### Tax Professionals: Are You e-Filing?

IDOR strongly urges you to file every IL-1040 that meets the e-File criteria electronically. Because of the economic downturn and IDOR's push for green practices, we need the support of each and every tax professional. Filing electronically keeps us from hiring and using permanent

manpower to print booklets, forms and schedules; receive and distribute mail; open and sort mail; prepare and enter data; correct errors; any many other functions that can be avoided when you e-File. It will also lead to fewer errors and faster refunds for your clients.

If you are not currently set up to e-File your clients' IL-1040 returns, please contact our Electronic Commerce Division at 1.866.440.8680 and we will help you get set up. Think e-File before you print. Please help us save taxpayer dollars and help the environment at the same time!

### IL-1040 Changes for 2010

There are several changes for the upcoming filing season that may affect returns you file for your clients.

- \*Taxpayers claiming a credit for property tax must now provide the Property, Parcel, or Permanent Index Number (PIN) to claim the credit. Electronic returns will be rejected if the PIN is not present when a property tax credit is being claimed. Be sure to notify your clients that they need to provide this number.

- \*Taxpayers will now have the opportunity to initiate up to four future 2010 IL-1040-ES payments when e-Filing the 2009 IL-1040. The payments are scheduled in advance and will be debited on the dates you specify.

- \*The Schedule CR, Credit for Tax Paid to Other States has been redesigned due to HB 3635. Please see the Schedule CR instructions for more information.

Additionally, IDOR will no longer send the "E" Exception Processing Code in e-File Acknowledgements. Electronic acceptance of the Schedule CR has been expanded to all full-year residents for credit for taxes paid to all other states of the United States.

- \*There are two new addition lines on the Schedule M.

- \*Electronic filing has been expanded to include taxpayers claiming pass-through entity payments from Schedule K-1-P or K-1-T.

- \*Taxpayers who annualize their income on the Schedule 2210 can now e-File their IL-1040.

- \*The State of Illinois does not support international ACH transactions. Electronic refunds and payments may only be deposited or withdrawn from accounts located within the United States.

- \*The paper IL-1040 and the majority of associated forms and schedules have been revised to accommodate "whole dollars" only. Cents will no longer be recognized.

As always, for the latest updates, publications, bulletins, and forms, visit our web site at [tax.illinois.gov](http://tax.illinois.gov).